

# ENERGIZE INDIANA

Transforming the Hoosier Economy

## The Ports of Indiana

### Financing available for business projects from Ports of Indiana

Companies that wish to expand may seek financing from the Ports of Indiana under a provision in House Enrolled Act 1001 and Senate Enrolled Act 454, which were passed by the 2003 General Assembly and signed into law May 8 by Governor Frank O'Bannon.

The laws contain components of Energize Indiana, the O'Bannon-Kernan administration's economic development plan.

One provision expands the authority of the Ports of Indiana, the quasi-governmental agency that operates the state's three maritime ports, so that it may enter into lease-financing agreements with Indiana businesses that wish to undertake capital projects.

Lease financing will be available to businesses anywhere in the state – not just those in the vicinity of the ports or those that use the ports. It will be available only to corporations and developers with investment-grade credit, not to startups or highly leveraged companies.

Lease financing is highly beneficial to companies, which can:

- Secure fixed interest rates;
- Arrange long-term financing;
- Deduct lease payments (principal and interest) for income tax purposes;
- Maintain substantial control of the new facility throughout the term of the lease; and
- Conserve capital for investment in research and development.

In addition, lease financing helps keep lease costs low for the companies that use it because interest on bonds is exempt from state income tax for the bond buyer.

### Intermodal hubs will expand transportation options for Indiana companies

Indiana, already the Crossroads of America because of its superior transportation system, will enhance its name – benefiting businesses from Whiting to Madison, Angola to Evansville – with the advent of intermodal hubs.

Energize Indiana, the state's economic development plan passed by the 2003 General Assembly, authorizes the Ports of Indiana to create intermodal hubs throughout the state, not just at existing port sites.

Intermodal hubs provide a central location where various modes of transportation, such as rail, interstate and water, converge. They allow businesses to ship products in the most efficient and least costly manner.

Intermodal hubs also encourage the co-location of companies with related products or missions. These companies are seeking reduced transportation costs and improved supply chains. For example, the Gap clothing company chose Columbus, Ohio, for its e-commerce fulfillment center, creating hundreds of high-paying information technology jobs in addition to numerous traditional transportation jobs.

### Facts:

- Indiana has more interstate highways than any other state.
- More than 82 million people live within 500 miles of Indianapolis.
- Indiana has more than 4,000 miles of rail, more than all but eight states.
- Indiana ranks 14th among the states in waterborne commerce.
- Each day, more than half the nation's rail traffic converges on Chicago, which provides a pipeline to the Midwest and beyond. But studies show that Chicago-area capacity can't keep pace with demand.

### A case study:

Joliet, Ill., has established the state-of-the-art CenterPoint Intermodal Center, an \$800 million development on a site that once was so polluted that it qualified for a U.S. Environmental Protection Agency Superfund cleanup.

The center, located about 40 miles southwest of Chicago, opened in summer 2002. The 2,200-acre site includes 621 acres for an intermodal rail facility and space for 17 million square feet for warehousing, distribution and light manufacturing.

The development is expected to create 20,000 high-paying construction jobs and 16,000 permanent jobs by 2012.

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